UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.237/79/Add.1
21 December 1994

Original: ENGLISH

INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Eleventh session
New York, 6-17 February 1995
Item 5 (a) of the provisional agenda

DESIGNATION OF A PERMANENT SECRETARIAT AND ARRANGEMENTS FOR ITS FUNCTIONING

Note by the Executive Secretary

Addendum

INSTITUTIONAL LINKAGES

Advice by the Secretary-General of the United Nations on an institutional arrangement for the permanent secretariat

1. The conclusions of the Contact Group on the topic of institutional linkages, as contained in the report of the Committee on its tenth session, were as follows (A/AC.237/76, para. 123 (a) and (b)):

"(a) The Contact Group, noting the complementarity of the mandates and capacities of the three bodies identified as possible hosts [that is, the United Nations Department of Policy Coordination and Sustainable Development (DPCSD), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP)] and the overall organizational structure of the United Nations, requested the Chairman to invite the Secretary-General of the United Nations to advise the Committee, at its eleventh session, on an institutional arrangement for the permanent secretariat which would:

(i) Enable the head of that secretariat to promote collaboration and synergy between the permanent secretariat and DPCSD, UNDP and UNEP, as well as with related specialized agencies, departments and convention secretariats;

(ii) Be cost-effective, economical and financially supportive;

(iii) Ensure efficient administrative support from a United Nations department or programme at the lowest possible cost in a manner that would allow for adequate managerial autonomy and flexibility, as well as for the accountability of the head of the permanent secretariat to the Conference of the Parties.

(b) The Contact Group would consider the Secretary-General's views in advance of the eleventh session and report thereon to the Committee. Meanwhile, it would defer further study of the possible option of an entirely independent secretariat."

2. At the end of the tenth session, the Chairman wrote to the Secretary-General of the United Nations requesting his advice as indicated above (annex I).

3. The Chief of Staff of the Executive Office of the Secretary-General replied to the Chairman on 11 October 1994, informing him that the Secretary-General had asked his Special Adviser to coordinate the necessary consultation regarding the advice requested (annex II).

4. The advice of the Secretary-General was conveyed to the Chairman with a letter of 14 November 1994 from the Special Adviser (annex III).

5. The Contact Group met in Geneva on 18 and 19 November 1994 to consider this advice. Following this meeting, the Chairman, on behalf of the Contact Group, conveyed some comments on the Secretary-General's advice, seeking clarification or elaboration of points therein (annex IV).

6. A reply to these comments was sent on behalf of the Secretary-General on 14 December 1994 (annex V).

7. The advice by the Secretary-General and the accompanying correspondence constitute the new material available in relation to the institutional linkages of the permanent secretariat of the Convention, for consideration by delegations in advance of the eleventh session. The views so far expressed on this matter by the Contact Group may be found in the report of the Committee on its tenth session (A/AC.237/76) and in the Chairman's letter of 19 November 1994 contained in annex IV. Any further views from the Contact Group will be set forth in its report to the Committee in document A/AC.237/79/Add.5.

Annex I

Letter dated 2 September 1994 from the Chairman of the Committee to the Secretary-General of the United Nations

I am writing on behalf of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change to request your views on the following matter.

At its ninth and tenth sessions, held respectively from 7 to 18 February and 22 August to 2 September 1994, the Committee considered inter alia an agenda item on the designation of a permanent secretariat and arrangements for its functioning. It did so on the basis of two reports prepared by the interim secretariat (A/AC.237/53 and A/AC.237/60 and Add.1), copies of which are attached.

At its ninth session, the Committee requested the interim secretariat to provide information to the Committee at its tenth session, with particular reference to the possibility of negotiating arrangements to place the permanent secretariat, at least initially, with a host organization, and asked the interim secretariat, in this context, to explore possible arrangements with the United Nations Secretariat, UNEP and UNDP.

The Committee at its tenth session discussed the further information provided by the interim secretariat and decided to consider this item further at its eleventh session. It also decided in this regard to establish an intersessional Contact Group to facilitate consideration of matters arising under this item. At its 6th plenary meeting on 1 September 1994, the Committee endorsed the approach suggested by the Contact Group to the effect that, bearing in mind the complementarity of the mandates and capacities of the three bodies, and the overall organizational structure of the United Nations, I invite you, as Secretary-General of the United Nations, to advise the Committee, at its eleventh session, on an institutional arrangement for the permanent secretariat which would:

(a) enable the head of that secretariat to promote collaboration and synergy between the permanent secretariat and DPCSD, UNDP and UNEP, as well as with related specialized agencies, departments and convention secretariats;

(b) be cost-effective, economical and financially supportive;

(c) ensure efficient administrative support from a United Nations department or programme at the lowest possible cost in a manner that would allow for adequate managerial autonomy and flexibility, as well as for the accountability of the head of the permanent secretariat to the Conference of Parties.

The Committee also endorsed the suggestion of the Contact Group that, pending consideration of your views on this matter, further study of the possible option of an entirely independent secretariat should be deferred to the eleventh session.

I should, therefore, be most appreciative if you would arrange for your views on this subject to be communicated to the Committee in time for consideration at its eleventh session, scheduled to be held in New York from 6 to 17 February 1995. For its part, the Contact Group will in all likelihood meet in New York in the course of November 1994, in connection with the consideration by the Second Committee of the agenda item on protection of global climate. On that occasion, as well as throughout the entire intersessional period, I shall, of course, be at your disposal for any further information you may desire on this matter. The Executive Secretary of the Committee, Mr. Michael Zammit Cutajar, can provide any background information that may be needed for the elaboration of your advice.

.....

(Signed)
Raúl Estrada-Oyuela
Chairman

Annex II

Letter dated 11 October 1994 from the Chief of Staff, Executive Office of the Secretary-General, to the Chairman of the Committee

The Secretary-General has asked me to thank you for your letter of 2 September conveying an invitation to advise the Inter-governmental Negotiating Committee on an institutional arrangement for the permanent secretariat of the United Nations Framework Convention on Climate Change.

The Secretary-General attaches importance to the successful implementation of the United Nations Convention, as a first step in a collective response to a global problem of sustainable development. It is gratifying from this point of view that the discussions among Member States regarding the institutional future of this Convention point to its continuing attachment to the United Nations Organization.

The Secretary-General has asked his Special Adviser, Mr. Ismat Kittani, to coordinate the necessary consultations on this matter within the Secretariat, including with the Heads of the three entities mentioned in the Committee's conclusions (the Department for Policy Coordination and Sustainable Development, UNDP and UNEP), as well as with the Department of Administration and Management. We shall endeavour to communicate the Secretary-General's advice to you in a timely fashion.

.....

(signed)
Jean-Claude Aimé
Chief of Staff

Annex III

Letter dated 14 November 1994 from the Special Adviser to the Secretary-General to the Chairman of the Committee

Further to Mr. Aimé's letter of 11 October, I am pleased to enclose herewith the advice of the Secretary-General on the question of institutional arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change, in response to the request which you had addressed to him on 2 September on behalf of the Intergovernmental Negotiating Committee.

The Secretary-General considers that the global and multi-disciplinary scope of the Convention provides an opportunity for a cooperative response that mobilizes the capacities of various departments and Programmes under his authority. He trusts that the advice set out in the attached note, based on this approach, responds to the needs of the Committee.

As discussed at our meeting on 18 October, we would be pleased to provide you and, through you, your Committee, with any clarification or elaboration which you may require in the light of further developments.

.....

(signed)
Ismat Kittani
Special Adviser to the Secretary-General

Note by the Secretary-General

1. By a letter dated 2 September 1994, from the Chairman of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change, on behalf of that Committee, the Secretary-General was invited to advise the Committee and its Contact Group on an institutional arrangement for the permanent secretariat of the Convention. This arrangement is to respond to certain criteria accompanying that invitation and contained in the report of the Committee on its tenth session (A/AC.237/76, para. 123(a)).

A. Scope of the institutional arrangement

2. In responding to this request for advice, the Secretary-General has noted that the Conference of the Parties to the Convention (COP) has an independent legal character and is not a subsidiary of the General Assembly or of any other body. In the light of the conclusions reached on this matter by the Committee at its ninth and tenth sessions, he is further guided by the indications therein that:

- the COP will wish to place the Convention secretariat initially within the framework of an existing institution, so as to avoid having to establish a fully-fledged new institution at this stage in the evolution of the Convention;
- the COP will adopt the budget for the functioning of Convention bodies, including the Convention secretariat and will finance this budget by contributions from the Parties;
- the Convention secretariat will respond to policy guidance from the COP and its head will be accountable to the COP for the implementation of mandated activities and for the use of moneys contributed by the Parties.

3. Consequently, an institutional arrangement for the Convention secretariat should respect the distinct character of the Convention and provide for the autonomy, responsiveness and accountability of its secretariat. It would be necessary, at the same time, to place the secretariat in a sound and supportive framework of administrative regulations, rules and procedures that would satisfy the expectations of the Parties with respect to the effective management of the resources that they contribute.

4. Moreover, the scope of the arrangement should correspond to the global and multi-disciplinary nature of the problems addressed by the Convention and of the responses that these require. The arrangement should facilitate the mobilization by the Convention secretariat of the full range of scientific, technical and economic expertise required by the Convention, in particular to support the work of the specialized subsidiary bodies of the COP and the analysis and review of national policies and measures undertaken in fulfilment of commitments under the Convention. It should buttress the secretariat's function of facilitating technical and financial support to developing and other countries within the framework of the Convention. Finally, it should provide the secretariat with appropriate linkages to relevant intergovernmental and inter-agency processes.

5. For these reasons, the Secretary-General advises that the Convention secretariat should be institutionally linked to the United Nations, while not being fully integrated in the work programme and management structure of any particular department or Programme. The general principles of this linkage could be recorded in reciprocal decisions of the COP and the General Assembly. These could provide for the mobilization, from different departments and Programmes of the United Nations, as well as from the agencies of the United Nations system, of the substantive, operational, institutional and administrative support required by the secretariat. They might need to be supplemented by a more detailed understanding governing the particulars of the arrangement.

6. This arrangement should be fully effective by the end of the present interim secretariat arrangements, that is from 1 January 1996. It should be for a defined duration, possibly five years, and include a provision for its review and modification by the two parties during that period. Such an approach would enable the arrangement to evolve in response to the changing needs of the Convention.

B. Collaboration and synergy

7. As noted in the report presented to the Committee at its tenth session (A/AC.237/60, paras. 36-44), and in the conclusions of that session, the three entities mentioned in connection with a possible institutional arrangement - DPCSD, UNDP and UNEP - have complementary mandates and capacities in relation to the Convention. These have enabled them to provide significant support to the interim secretariat of the Convention and are a basis for their future cooperation in support of its permanent secretariat. Consequently, it would be appropriate for these three entities to enter into an understanding specifying the support which each would provide to the Convention secretariat. This would be an adjunct to the overall arrangement between the COP and the United Nations.

8. Such a cooperative arrangement would respond directly to the first criterion attached to the request for advice from the Secretary-General (A/AC.237/76, para. 123 (a)(i)), by enabling the head of the Convention secretariat to mobilize inputs and promote collaboration, synergy and coordination among the different actors. This arrangement would be open to the participation of other United Nations entities, specialized agencies and convention secretariats.

C. Financial support

9. The second criterion for the institutional arrangement (A/AC.237/76, para. 123(a)(ii)) seeks cost-effectiveness, economies and financial support. This is echoed in the third criterion, that seeks administrative support at the lowest possible cost.

10. It is noted that the conference servicing costs arising from sessions of the COP and its subsidiary bodies have received attention in the Committee in this regard, since they would be an identifiable and heavy charge on the Convention budget. It may be noted that the General Assembly, by its resolution 48/189, has agreed to include the first session of the COP in the calendar of conferences and meetings for 1994-1995. Further, the Assembly is currently seized of a proposal to consider including in that same calendar the sessions of subsidiary bodies of the COP that may be needed until the end of the current interim secretariat arrangements, that is 31 December 1995.

11. Absorption of conference servicing costs in future years would similarly be a matter for decision by the General Assembly. Should the COP wish to seek such a decision, in the context of an institutional linkage to the United Nations, the Secretary-General would convey its request to the Assembly. In considering such a decision, the Assembly may take into account inter alia this institutional linkage and the broad participation of Member States in the Convention.

D. Efficient administrative support

12. An efficient arrangement for administrative support to the Convention secretariat would ensure proper procedures, controls and accountability, while allowing for managerial autonomy, flexibility and accountability to the COP, as envisaged in the third criterion attached to the request for advice (A/AC.237/76, para. 123 (a)(iii)). The United Nations department or Programme that could best provide such administrative support will be recommended once agreement has been reached, whether by decision of the COP or through an earlier recommendation by consensus of the Committee, where to locate the Convention secretariat and whether to place it in a common administrative framework with other units.

13. Meanwhile, certain general characteristics of the administrative arrangement are indicated below, based on the broad commonality among the available administrative regimes. The specific aspects of such an arrangement would be spelled out in due course.

14. In summary, the moneys contributed by the Parties would be lodged in one or more **trust funds**, as needed. These would be administered under a given set of financial regulations and rules, as is the case, for example, with the two extra-budgetary funds in support of the Convention, established in response to General Assembly resolution 45/212. It would be possible to delegate to the head of the Convention secretariat an appropriate degree of authority for **financial management**.

15. The **overhead charge** for administering these trust funds would be levied on the basis of actual costs incurred. The actual level of the overhead charge would be determined once the source of administrative support has been decided. As is normally the case, some of the overhead charge may be allotted to the Convention secretariat to defray administrative expenses.

16. With regard to **personnel management**, it would be possible to delegate authority to the head of the Convention secretariat for the recruitment of staff for service limited to that secretariat, for their promotion and for the termination of such service. This core staff could be supplemented, as is the interim secretariat at present, by staff on loan or on secondment from the United Nations Secretariat or its programmes or from specialized agencies. The head of the Convention secretariat would administer the staff of the Convention secretariat in accordance with United Nations Staff Regulations and Rules and such special rules as may be established by the Head of the Convention secretariat in agreement with the Secretary-General of the United Nations.

E. Appointment of the head of the Convention secretariat

17. The head of the Convention secretariat would be appointed by the Secretary-General and would also be accountable to the COP. The level, term of office and other attributes of that post would be determined by the COP, in the context of its budget. The Secretary-General would make appointments to that post after consultation with the COP.

F. Location

18. In considering the different possible locations for the Convention secretariat, the COP will no doubt take into account factors that are outside the scope of the present note, such as the operating costs at each location, the content of offers by potential host Governments, including possible contributions to such costs, the convenience of access by delegations to different locations and the respective merits of co-location and decentralization.

19. The institutional arrangement outlined in this note, including its administrative aspects, could be put into effect whatever the physical location of the Convention secretariat. However, as stated above (para. 12), the choice of the source of administrative support for the Convention secretariat would best be made in knowledge of the decision of the COP on physical location. Consideration could then be given to the possible financial and other advantages to be gained for the Convention secretariat, consistent with its managerial and operational autonomy, by drawing upon administrative and infrastructural services already available at the chosen location or sharing such services with other units located there.

G. Next steps

20. Should the institutional arrangement outlined above be considered satisfactory by the Contact Group, a draft decision covering the different aspects of the arrangement, including the understanding among collaborating departments and Programmes, could be considered by the eleventh session of the Committee and acted on by the COP at its first session (COP 1).

21. Once the location of the Convention secretariat is determined, the Secretary-General would make a recommendation concerning the source of administrative support for that secretariat within the United Nations. As early as possible after COP 1, the terms on which this support would be provided would be presented for approval to the appropriate United Nations intergovernmental body or bodies and thereafter to the COP. At the appropriate time, as indicated in paragraph 17 above, the Secretary-General would make a first appointment to the post of head of the Convention secretariat.

Annex IV

Letter dated 19 November 1994 from the Chairman of the Committee to the Special Adviser to the Secretary-General

Many thanks for your letter of 14 November 1994, conveying the advice of the Secretary-General of the United Nations on institutional arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change. The Contact Group that is dealing with this matter on behalf of the Intergovernmental Negotiating Committee has been considering this advice for these last two days in Geneva. The members of the Contact Group join me in conveying to the Secretary-General, through you, our appreciation for the effort that has been invested in the response to the request for advice.

The Contact Group considers that the Note by the Secretary-General provides a very good basis for its work and that of the Committee. Having reviewed the Note, we have some comments and questions to convey to you, in response to your offer to provide further clarification or elaboration.

A. Scope of the institutional arrangement

It is understood that the institutional arrangement would consist of three elements: overall accountability of the head of the Convention secretariat to the Secretary-General, as well as to the Conference of the Parties (paras. 5 and 17); support to the permanent secretariat by the Department of Policy Coordination and Sustainable Development (DPCSD), the United Nations Development Programme, the United Nations Environment Programme and other entities (paras. 7 - 8); and the provision of administrative services by one or other department or Programme (paras. 12 - 16).

We consider that the scope and nature of the institutional arrangement described in paragraphs 2 - 6 of the Note correspond to the needs of the Convention.

It is noted that the proposed arrangement has certain characteristics in common with the present linkage between the interim secretariat of the Convention and DPCSD. This linkage has worked well and could be drawn upon in the future arrangement.

B. Collaboration and synergy

It is understood that the submission of this Note implies the readiness of the entities mentioned in paragraph 7 and their executive heads to provide significant support to the permanent secretariat, within the proposed institutional framework, and that the provision of administrative services by one of these entities would not give that entity overall control over the institutional arrangements.

The effort to ensure a cooperative response that mobilizes the capacities of these and other entities, under the authority of the Secretary-General, is appreciated. The successful functioning of this arrangement will very much depend on the sensitivity of the executive heads concerned and of the head of the Convention secretariat to the needs of the arrangement and their respective roles therein. We recall that the arrangement should enable the head of the Convention secretariat "to mobilize inputs and promote collaboration, synergy and coordination among different actors". The Contact Group considers that it might be necessary for the coordination of the arrangement to be reviewed from time to time by, or on behalf of, the Secretary-General.

The Contact Group wishes to enquire under whose guidance the understanding between the three entities and any others will be brought about and what would be the role in this process of the head of the interim secretariat.

C. Financial support

The Contact Group notes with interest the possibility that conference servicing costs arising from sessions of the Conference of the Parties and its subsidiary bodies could be absorbed in the United Nations regular budget, by decision of the General Assembly.

D. Efficient administrative support

The Contact Group attaches great importance to the effectiveness and cost of the arrangement to provide administrative support to the Convention secretariat. Taking into account paragraph 5 of the Note, it is understood that this would be a support service to that secretariat. The Contact Group looks forward to further recommendations by the Secretary-General concerning the institutional location of administrative support and the level of the overhead charge.

E. Appointment of the head of the Convention secretariat

The Contact Group wishes to enquire:

- whether it would be possible to elaborate the lines of accountability of the head of the Convention secretariat to include accountability to the Secretary-General for the observance of administrative regulations, rules and procedures, in addition to accountability to the Conference of the Parties as indicated in the third "bullet" of paragraph 2 of the Note;

- whether it would be compatible with the procedures of the United Nations Secretariat, as well as with the responsibilities of the Secretary-General, for appointments to the post of the head of the Convention secretariat to be made after approval by the Conference of the Parties.

It is understood that the staffing of the Convention secretariat would respect Article 101.3 of the Charter of the United Nations.

F. Physical location

It is hoped that it will be possible for guidance on the location of the Convention secretariat to emerge from the Committee at its eleventh session, so that recommendations by the Secretary-General on those aspects of the institutional arrangement that are influenced by physical location could be presented to the Conference of the Parties at its first session.

G. Next steps

The Contact Group underlines the importance of the timely implementation of the institutional arrangement. While there is agreement in the Committee that the budget and the secretariat of the Convention will both start to function from 1 January 1996, it is essential that the momentum of work on the Convention, including secretariat work, is maintained through 1995. It is our hope, and that of the Committee, that the Conference of the Parties will be able to take the necessary decisions relating to the permanent secretariat during its first session (Berlin, 28 March - 7 April 1995). It is also hoped that it will be possible for the follow up action by the Secretary-General, as indicated in paragraph 21 of the Note, as well as any intergovernmental action that may be necessary, to be taken expeditiously thereafter so as to avoid any hiatus in secretariat support activities.

.....

(signed)
Raúl Estrada-Oyuela
Chairman
Intergovernmental Negotiating Committee on a
Framework Convention on Climate Change

Annex V

Letter dated 14 December 1994 from the Special Adviser to the Secretary-General to the Chairman of the Committee

Thank you for your letter of 19 November 1994. I am pleased to note that the scope and nature of the institutional framework described in the Secretary-General's Note on arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change appears to meet the needs of the Convention.

In response to the points and questions you raise, I should like to provide the following clarifications.

The understanding between DPCSD, UNEP and UNDP and any other entity, as appropriate, will be brought about, in a collaborative way, under the guidance of the Secretary-General. The head of the interim secretariat would be called upon to provide support, as required.

With respect to financial support, as indicated in paragraph 11 of the Secretary-General's Note, any absorption of conference servicing costs would be a matter for decision by the General Assembly. Should the Conference of the Parties wish to seek such a decision, in the context of an institutional linkage to the United Nations, the Secretary-General would convey its request to the Assembly.

Without prejudice to the accountability of the head of the permanent secretariat to the Conference of the Parties as indicated in the third bullet in paragraph 2 of the Note, the head of the Convention Secretariat would be fully responsible to the Secretary-General as the Chief Administrative Officer of the Organization, including for the observance of staff regulations and rules and financial regulations and rules.

Finally, with respect to the appointment of the head of the Convention Secretariat, conformity with United Nations procedures would require that the appointment be made by the Secretary-General after consultation with the COP.

I share your hope that the Conference of the Parties will be able to take the necessary decisions relating to the permanent secretariat during its first session.

.....

(signed)
Ismat Kittani
Special Adviser to the Secretary-General